

TORONTO STOCK EXCHANGE

TORONTO

BULLETIN NO. 6492

September 21, 1967.

NEW LISTING

CHUM LIMITED

Application has been granted to list 264,133 Class "A" shares of \$10 par value each of the Company and the shares will be posted for trading at the opening on Monday, September 25th. Stock Symbol "CHUM A"; Dial Quotation No. 1477; Post Section 7.3.

Listing Statement No. 2275 is being prepared and will be available soon. The following is some of the information that will be in the Statement:

Incorporated - under the Corporations Act (Ontario) by Letters Patent dated October 2, 1944 with the name York Broadcasters Limited.

Supplementary letters patent have been issued to the Company as follows: (i) dated May 24, 1956, increasing and redesignating the authorized capital of the Company; (ii) dated April 27, 1959, changing the name of the Company from York Broadcasters Limited to Radio Chum-1050 Limited; (iii) dated November 10, 1964, increasing the authorized capital of the Company; (iv) dated January 16, 1967, providing for shareholders' approval to the transfer of shares; (v) dated May 12, 1967, changing the name of the Company from Radio Chum-1050 Limited to CHUM Limited; (vi) dated June 10, 1967, subdividing and increasing the authorized capital of the Company; and (vii) dated June 15, 1967, changing the Company from a private to a public Company.

Head Office - 1331 Yonge Street, Toronto, Ontario.

Nature of Business - The Company carries on the business of radio broadcasting through ownership of, or substantial investment in, radio broadcasting stations, all of which it operates. The Company also owns a one-third interest in a corporation operating the television station in Barrie, Ontario. The Company's largest radio station is CHUM-AM, Toronto.

Transfer Agent and Registrar - Montreal Trust Company, Toronto, Ottawa, Montreal, Halifax and Vancouver.

Officers

President	- A. F. Waters, Toronto, Ont., Broadcasting Executive of Company
Vice-President	- R. T. Snelgrove, Barrie, Ont., Broadcasting Executive with Ralph Snelgrove Television Ltd.
Vice-President-Sales	- J. W. Armstrong, Don Mills, Ont., Broadcasting Executive with the Company
Vice-President-Finance and Secretary-Treasurer	- A. A. Forbes, C.A., Toronto, Ont., Broadcasting Executive with the Company

Directors - A. F. Waters, R. T. Snelgrove, J. W. Armstrong, A. A. Forbes, and the following:

L. S. Solway, Toronto, Broadcasting Executive with the Company

A. D. Nesbitt, Westmount, Que., President, Nesbitt, Thomson and Company, Limited

Capitalization - As at August 16, 1967

Share Capital	Authorized	Issued and Outstanding	Tp Be Listed
Class "A" shares with a par value of \$10 each non-cumulative, redeemable, convertible voting shares	264,133	264,133	264,133
Common shares without par value	1,500,000	412,057	Nil
Funded Debt			
3% Bank loans		\$425,000.00	
7% Mortgage payable in monthly instalments April 1, 1967 to March 1, 1968		\$142,451.00	
3½% Equipment purchase contract payable \$5,000 monthly April 28, 1967 to July 28, 1968		\$120,000.00	
7% Equipment purchase contract payable \$1,363.50 monthly April 15, 1967 to August 28, 1968		\$ 16,362.00	

Escrowed Shares (Common) - As at July 14, 1967, 412,057 common shares in the capital of the Company, being all of the issued and outstanding common shares of the Company, all of which are owned by Waters, are held in escrow by Richard H. Rohmer and Murray E. Hardisty, jointly as Escrow Agents, pursuant to the agreement between the Company, Nesbitt, Thomson and Company Limited, Waters and the said Escrow Agents. The said 412,057 common shares of the Company are to be released from escrow two years from July 14, 1967, the date of the Company's prospectus, or at an earlier date upon the consent of the Company, Nesbitt, Thomson and Company, Limited and the Escrow Agents, pursuant to the said agreement.

Offering by Prospectus - By agreements dated July 14, 1967, the Company agreed to sell and Nesbitt, Thomson and Company, Limited and John Graham & Company Limited, on their own behalf severally as underwriters agreed to purchase 180,952 of the 209,524 Class "A" shares offered by the prospectus from the Company at the price of \$10.50 per Class "A" share, subject to the terms and conditions stated therein, and Allan Frederick Waters agreed to sell and the Underwriters on their own behalf jointly agreed to purchase 28,572 of the 209,524 Class "A" shares offered under the prospectus at the same price and also subject to the terms and conditions stated therein.

Earnings - Consolidated net earnings for the years ended September 30, 1962 to 1966 and for the six months ended March 31, 1967:

1962	-	\$202,769
1963	-	185,563
1964	-	218,622
1965	-	239,079
1966	-	317,740
Six months ended		
March 31/67	-	206,334

Combined summary of earnings for the years ended September 30, 1962 to 1966 and for the six months ended March 31, 1967:

1962	-	\$308,314
1963	-	298,893
1964	-	341,364
1965	-	336,997
1966	-	457,229
Six months ended		
March 31/67	-	246,035

This combined summary of earnings includes:

- (a) the earnings in the consolidated statement of earnings of CHUM Limited and subsidiary company for the five years and six months ended March 31, 1967;
- (b) the operations of Radio Station CFRA Limited and CFRA Broadcasting Limited, a predecessor company, which were acquired by CHUM Limited on January 1, 1967, for the period of five years and three months ended December 31, 1966;
- (c) the operations of two small associated companies, whose sales representation operations have been carried on by CHUM Limited since October 1, 1966, for the period of five years ended September 30, 1966.

Dividends -The Board of Directors of the Company declared an initial quarterly dividend of 11¢ per Class "A" share payable September 1, 1967, to Class "A" shareholders of record on August 15, 1967.

Prior to June, 1967, the Company was a private Company and had no dividend policy, as such, in effect. During the past five years dividends have been declared on the then outstanding common shares in the capital of the Company as adjusted to reflect the change in the Company's capitalization effected by the Supplementary Letters Patent dated June 10, 1967 as follows:

	Cash Dividends	Stock Dividends	Dividends Per Share
1962	\$60,000	\$ 51,000	27¢
1963	60,000	nil	15¢
1964	60,000	51,000	27¢
1965	30,000	102,000	32¢
1966	nil	25,500	.06¢

BY ORDER OF THE BOARD OF GOVERNORS

J. R. KIMBER,
President

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2275

LISTED SEPTEMBER 25, 1967

264,133 Non-Cumulative Redeemable Convertible voting Class A Shares of \$10.00 Par Value each.
 Stock Symbol "CHUM A"
 Dial Quotation Number 1477
 Post Section 7.3

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

CHUM Limited

Incorporated under the laws of the Province of Ontario
 by Letters Patent dated the 2nd day of October, 1944

CLASS A SHARES WITH A PAR VALUE OF TEN DOLLARS (\$10.00)

(Transferable in Toronto, Ottawa, Montreal, Halifax and Vancouver.)

CAPITALIZATION AS AT AUGUST 16, 1967

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Class A shares with a par value of \$10.00 each non-cumulative redeemable, convertible voting shares	264,133	264,133	264,133
Common shares without par value	1,500,000	412,057	Nil
FUNDED DEBT			
6% Bank Loans		\$425,000.00	
7% Mortgage payable in monthly instalments April 1, 1967 to March 1, 1985		\$142,451.00	
6½% Equipment purchase contract payable \$5,000.00 monthly April 28, 1967 to July 28, 1969		\$120,000.00	
7% Equipment purchase contract payable \$1,363.50 monthly April 15, 1967 to August 28, 1968		\$ 16,362.00	

August 16, 1967

1. APPLICATION

CHUM LIMITED (herein called the "Company") hereby makes application for the listing on the Toronto Stock Exchange of 264,133 Class A shares with a par value of \$10.00 each of the Company (herein sometimes called the "Class A" shares) of which 264,133 have been issued and are outstanding as fully paid and non-assessable.

2. REFERENCE TO PROSPECTUS

Reference is hereby made to the attached prospectus issued by the Company under date of July 14, 1967, with respect to the offering of 209,524 Class A shares of the Company, a copy of which prospectus is hereby incorporated in this application and made part hereof.

3.

SHARE ISSUES DURING THE PAST TEN YEARS

A) redeemable preference shares of a par value of \$10.00 each

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
August 21, 1958	680	\$10.00	\$6,800.	Stock dividend by capitalization of \$6,800.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1958.
September 21, 1959	850	\$10.00	\$8,500.	Stock dividend by capitalization of \$8,500.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1959.
September 19, 1960	4,250	\$10.00	\$42,500.	Stock dividend by capitalization of \$42,500.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1960.
August 12, 1961	2,125	\$10.00	\$21,250	Stock dividend by capitalization of \$21,250.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1961.
September 4, 1962	5,100	\$10.00	\$51,000.	Stock dividend by capitalization of \$51,000.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1962.
November 25, 1963	5,100	\$10.00	\$51,000.	Stock dividend by capitalization of \$51,000.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1963.
July 15, 1964	5,100	\$10.00	\$51,000.	Stock dividend by capitalization of \$51,000.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1964.
December 8, 1964	5,100	\$10.00	\$51,000.	Stock dividend by capitalization of \$51,000.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1964.
March 23, 1966	2,550	\$10.00	\$25,500.	Stock dividend by capitalization of \$25,500.00 of retained earnings and issue of corresponding amount of preference shares. These shares were completely redeemed before the end of 1966.

B) Class A Shares with par value of \$10.00

June 12, 1967	28,571	\$10.50	\$300,000.	Retirement of a non-interest bearing promissory note for \$300,000.00 from the Company to Ralph Snelgrove.
June 12, 1967	19,048	\$10.50	\$200,000.	Retirement of a 7½ % term promissory note for \$200,000.00 from the Company to Ralph Snelgrove Enterprises Limited.
June 12, 1967	30,000	\$10.50	\$315,000.	Retirement of non-interest demand promissory notes in the aggregate of \$315,000.00 from the Company to Allan F. Waters.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED ON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF THESE SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF.

New and outstanding Issue

209,524 Class A Shares

(Par value \$10 each)

CHUM Limited

(Incorporated under the laws of the Province of Ontario)

Of the 209,524 Class A Shares offered hereby, 180,952 Class A Shares are being sold by the Company and 28,572 Class A Shares are being sold by the Selling Shareholder whose name and holdings are stated herein under the heading "Shareholders and Directors" on page 8 of this prospectus. The Company will receive no part of the proceeds from the sale of such shares by the Selling Shareholder. The price of the said Class A Shares was determined as a result of negotiations between the Company and the Underwriters named herein.

	Price to Public	Underwriters' Commission	Proceeds to the Selling Shareholder	Proceeds to the Company (1)
Per Share.....	\$10.50	63¢	\$9.87	\$9.87
Total.....	\$2,200,002	\$132,000	\$282,006	\$1,785,996

(1) Before deduction of expenses of issue, estimated at \$35,000.

We, as principals offer these Class A Shares if, as and when accepted by the Underwriters named herein. Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that certificates in interim form will be available for delivery on or about July 27, 1967.

A complete description of the conditions attaching to the Common Shares without par value and Class A Shares, with a par value of \$10 each in the capital of the Company is set out under the heading "Description of Class A Shares" on Page 9 of this prospectus.

No person is authorized by CHUM Limited or by us to give any information or to make any representation, other than contained in this prospectus, in connection with the issue and sale of these Class A Shares and if given or made such information or representation cannot be relied upon as having been authorized by CHUM Limited or by us.

Allan Frederick Waters

President

21 Moorehill Drive,
Toronto, Ontario.

Ralph Trapnell Snelgrove

Vice-President

23 Theresa Street,
Barrie, Ontario.

John Wesley Armstrong

Vice-President
— Sales

4 Canfield Place,
Don Mills, Ontario.

Alexander Ashley Forbes, C.A.

Vice-President
— Finance and
Secretary-Treasurer

42 Haslemere Road,
Toronto, Ontario.

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The Company

CHUM Limited (hereinafter sometimes referred to as the "Company") was incorporated under The Corporations Act (Ontario) by Letters Patent dated October 2, 1944 with the name York Broadcasters Limited.

Supplementary letters patent have been issued to the Company as follows: (i) dated May 24, 1956, increasing and redesignating the authorized capital of the Company; (ii) dated April 27, 1959, changing the name of the Company from York Broadcasters Limited to Radio Chum-1050 Limited; (iii) dated November 10, 1964, increasing the authorized capital of the Company; (iv) dated January 16, 1967, providing for shareholders' approval of the transfer of shares; (v) dated May 12, 1967, changing the name of the Company from Radio Chum-1050 Limited to CHUM Limited; (vi) dated June 10, 1967, subdividing and increasing the authorized capital of the Company; and (vii) dated June 19, 1967, changing the Company from a private to a public company. The Company's head office and principal office is located at 1331 Yonge Street, Toronto, Ontario.

The Company carries on the business of radio broadcasting through ownership of, or substantial investment in, radio broadcasting stations, all of which it operates. The Company also owns a one-third interest in a corporation operating the television station in Barrie, Ontario. The Company's largest radio station is CHUM-AM, Toronto.

Plan of Distribution

By agreements dated July 14, 1967, the Company has agreed to sell and Nesbitt, Thomson and Company, Limited, and John Graham & Company Limited, on their own behalf severally as underwriters (the "Underwriters") have agreed to purchase 180,952 of the 209,524 Class A Shares offered by this prospectus from the Company at the price of \$10.50 per Class A Share, subject to the terms and conditions stated therein, and Allan Frederick Waters ("Waters") has agreed to sell, and the Underwriters on their own behalf jointly have agreed to purchase 28,572 of the 209,524 Class A Shares offered hereby at the same price and also subject to the terms and conditions stated therein.

Capitalization

Following the issue of the Supplementary Letters Patent dated June 10, 1967, the capital of the Company consists of:

<u>Designation of Security</u>	<u>Authorized</u>	<u>Outstanding March 31, 1967</u>	<u>Outstanding June 13, 1967</u>	<u>To be Outstanding on Completion of this Financing</u>
DEBT:				
7% First Mortgage Income Bond.....	\$600,000	\$ 600,000	\$ 600,000	—
7% Mortgage.....	n/a	\$ 143,772	\$ 143,115	\$142,784
7½% Promissory Note.....	n/a	\$ 200,000	—	—
7% Promissory Notes.....	n/a	\$1,000,000	\$1,000,000	—
6½% Equipment Purchases Contract....	n/a	\$ 140,000	\$ 130,000	\$125,000
Bank Loans (secured).....	n/a	\$ 450,000	\$ 450,000	\$425,000
Non Interest Bearing Loans.....	\$615,000	\$ 615,000	—	—
Sundry Indebtedness.....	n/a	\$ 34,179	\$ 31,452	\$ 30,089
SHARE CAPITAL:				
Class A Shares with a par value of \$10....	264,133 shs.	Nil	83,181 shs.	264,133 shs.
Common Shares without par value.....	1,500,000 shs.	100,000 shs.	412,057 shs.	412,057 shs.

Use of Proceeds

The net proceeds to be received by the Company from the sale of the 180,952 Class A Shares offered by this prospectus, estimated at \$1,785,996, will be applied as to approximately \$1,000,000 to repay the outstanding 7% promissory note of the Company, as to \$740,000 to repay the outstanding 7% First Mortgage Income Bond of the Company and to release the Company from certain obligations and options with respect to certain shares of Radio Station CFRA Limited existing under the agreement with the bondholder and more fully described under Note 7 on page 18 and item 7 (b) on page 11 under the heading "Material Contracts" of this prospectus, and as to \$11,000 to repay certain items of Sundry Indebtedness. The balance of the proceeds will be used to pay the costs of this issue, estimated at approximately \$35,000.

The Company will not receive any of the proceeds from the sale of the 28,572 Class A Shares owned by the Selling Shareholder and offered by this prospectus.

Dividends

Policy

The Board of Directors of the Company has declared an initial quarterly dividend of 11¢ per Class A Share payable September 1, 1967, to Class A shareholders of record on August 15, 1967.

Record

Prior to June, 1967, the Company was a private Company and had no dividend policy, as such, in effect. During the past five years dividends have been declared on the then outstanding Common Shares in the capital of the Company as adjusted to reflect the change in the Company's capitalization effected by the Supplementary Letters Patent dated June 10, 1967 as follows:

	Cash Dividends	Stock Dividends	Dividends Per Share
1962.....	\$60,000	\$ 51,000	27¢
1963.....	\$60,000	Nil	15¢
1964.....	\$60,000	\$ 51,000	27¢
1965.....	\$30,000	\$102,000	32¢
1966.....	Nil	\$ 25,500	06¢

History

Prior to 1957, the Company owned only radio station CHUM-AM, which was licenced to broadcast with a power of 1,000 watts from sunrise to sunset. Within the succeeding ten years, radio station CHUM-AM has received licences from the Federal Minister of Transport to broadcast 24 hours a day with a power of 50,000 watts, the maximum permissible power for AM stations. According to information published in June, 1967 by the Bureau of Broadcast Measurement for the two weeks ended March 19, 1967, CHUM-AM has the second largest weekly listening audience of all radio stations in Canada.

The Bureau of Broadcast Measurement is a non-profit association formed and controlled by advertisers, advertising agencies and broadcasters to conduct impartial measurements of radio and television audiences for the use of the broadcasting and advertising industries.

During the past five years, the Company has acquired 100% ownership of a corporation operating two radio stations in Ottawa, Ontario; 50% ownership of a corporation and a partnership operating radio stations in Halifax, Nova Scotia and Peterborough, Ontario, respectively, and 33⅓% ownership of the corporation operating television station CKVR-TV in Barrie, Ontario.

The table following sets out particulars of the Company's broadcasting interests:

Date of Acquisition by CHUM Limited	Form of Ownership	Percentage Ownership by CHUM Limited	Broadcasting Stations	Frequency or Channel Note (a)	Authorized Broadcasting Power	Principal Market Area
December 1954	Asset	100%	CHUM-AM	1050 kcs	50,000 watts	Toronto
September 1963	Asset	100%	CHUM-FM	104.5 mgs	54,000 watts	Toronto
		100%	CFRA-AM	580 kcs	50,000 watts	Ottawa
January 1967	Common shares of Radio Station CFRA Limited	100%	CFMO-FM	93.9 mgs	daytime 10,000 watts	Ottawa
					nighttime	
May 1962	Partner of unincorporated partnership	50%	CKPT-AM	1420 kcs	5,000 watts	Peterborough
July 1965	Common shares of Radio CJCH 920 Limited	50%	CJCH-AM	920 kcs	10,000 watts daytime 5,000 watts nighttime	Halifax
October 1965	Common shares of Ralph Snelgrove Television Limited	33⅓%	CKVR-TV	Channel 3	100,000 watts video 12,500 watts audio	Barrie

NOTE (a) kcs means kilocycles; mgs means megacycles.

General

Business

The Company derives its revenues from the sale of broadcast time to advertisers. For each of the Company's radio stations (the "stations"), the price per unit of time sold is directly dependent upon the size of its listening audience which in turn is dependent upon the stations' broadcast power, the number of persons within its broadcast range and the popularity of its programming. The number of units of broadcast time sold by the stations varies according to the demand for radio advertising time and according to the ability of the stations to compete in their markets with other commercial communications media.

Broadcast time is sold by national sales organizations to advertising agencies and national advertisers, and by retail sales forces, maintained by each of the stations, to retail advertisers. The retail sales staffs are supported by creative departments which write and produce commercials for presentation to retail advertisers. In many instances, the creative departments work directly with retail clients to develop special advertising promotions and merchandising displays. The stations also maintain merchandising departments to support national advertising campaigns with promotional activities directly at the point of sale of the advertisers' product. Such promotions include product or cash give-aways, listener participation by telephone or mail and contests, each designed to complement radio advertising.

The stations' program material includes all of the music, news, discussion, information, free public service and commercials broadcast by announcers, newscasters, reporters and commentators. Programming is created and organized by an off-air production and creative staff. The Company has attempted to develop a distinctive image for each of its stations within its broadcast market. Such images are created by the program material broadcast and by the station's announcers who deliver programs and thereby influence the attitude of the listening audience. Management has encouraged announcers to develop their own styles and methods of program presentation so that the stations will project a variety of announcing personalities. The stations' programming is more fully described under the heading "Radio Stations" on page 6 of this prospectus.

Management and Personnel

The Company is directly responsible for the management of all of its wholly-owned radio stations and its 50%-owned radio stations. Programming policy is determined by the Company's senior manage-

ment and the senior operating management of each station. With the exception of the stations owned by the Company's wholly-owned subsidiary, Radio Station CFRA Limited, accounting services have been centralized and are performed by a staff located at the Company's Head Office. In all other areas of operations, including sales, engineering and the implementation of programming policy, the stations are autonomous.

The Company's chief operating officer is Allan Frederick Waters.

Each of the stations has a general manager who is responsible for all of the station's operations. Each of the stations has a retail sales force supervised by a retail sales manager who is responsible to the general manager. The Company's engineering personnel are responsible to the general managers for maintaining and operating the stations' broadcast and related facilities which include transmitters, power sources, studio facilities and electronic controls. The stations have additional operating departments including news, creative, merchandising, personnel and accounting departments. There are approximately 190 employees of all radio stations. Employee relations with the staffs of all stations are excellent.

Community Service

Public service is emphasized through the participation of Company personnel in community activities and by giving of broadcast time to many community service organizations. Free announcements are written and broadcast by the stations for fund-raising drives, school activities, service clubs, public education and general welfare organizations. An example of such public service is CHUM's Kids' Crusade, an incorporated Ontario Charitable Foundation formed to raise funds for youth and children's projects. Executives and personalities of all stations serve on community boards connected with public service and charities such as mental retardation and traffic safety. Company personnel appear regularly as masters-of-ceremonies and speakers for such organizations.

Property

The principal properties of the Company and its subsidiary are the lands and buildings containing the offices, studios and transmitters for each radio station and the electronic and other broadcasting equipment of the radio stations. All of the Company's principal properties are freehold.

Reference is made to the information given under the heading "Use of Proceeds" on page 3 of this prospectus. Following the application of the proceeds of the offering contemplated by this prospectus, the only major encumbrances outstanding against the Company's principal properties will be the first mortgage of the Company's head office property on which \$142,784 principal amount will then be outstanding and a first floating charge and other security given to the Company's banker in the normal course to secure bank loans, all as set out under the heading "Capitalization" on page 3 of this prospectus.

Television Investment

The Company owns one-third of the issued and outstanding common shares of Ralph Snelgrove Television Limited which operates Television Station CKVR-TV in Barrie, Ontario and which is an affiliate of the Canadian Broadcasting Corporation Network.

Radio Stations

CHUM-AM Toronto

In 1957, a new broadcast policy was established for CHUM-AM. The Company determined that the station's program content would consist of contemporary popular ("Hit Parade") music. This specialized content, then unique in the Toronto area was to be directed to persons under the age of thirty-five. Based on the Company's assessment, this age group represented the largest single segment of consumers to whom advertising could most effectively be directed. CHUM has maintained this policy and today "Hit Parade" music represents the majority of its entertainment programming.

News is gathered and reported by a staff of fourteen, enabling the station to provide direct local news coverage, supplemented by international teletype news-wire services. A two-man Ottawa news bureau

reports directly to the station as well as to the other Company stations. The news staff is frequently sent on assignments throughout the world to cover special events, to provide specific news coverage beyond that ordinarily available from international wire services. Such reports have come from Commonwealth Conferences in London, England, the scenes of racial disturbances in the southern United States, and on-the-spot sports and general reports from Sweden, Germany and Russia.

In 1964, the Company moved the CHUM-AM transmitter from an island in Toronto Harbour to a site south-west of Toronto near Clarkson, Ontario. At that time, land, buildings and new equipment were acquired to increase transmitting power to 50,000 watts at a cost of approximately \$900,000. As a result of this move, CHUM-AM's signal was extended to cover most of the densely populated areas of southern Ontario.

CHUM-FM Toronto

CHUM-FM broadcasts daily with a transmission power of 54,000 watts in FM multiplex stereo from studios and with a transmitter both located at the Company's head office. The station broadcasts classical music, news and interviews. CHUM-FM policy has limited the sale of commercial broadcasting time so that major works of music can be played without interruption. The station appeals to a specialized listening audience and therefore, provides a vehicle for advertisers who prefer a certain type of advertising image and market penetration.

CFRA-AM Ottawa

CFRA-AM has broadcast to the Ottawa-Hull area and the Ottawa Valley for a period of more than twenty years. According to the latest available information published in June, 1967 by the Bureau of Broadcast Measurement for the two weeks ended March 19, 1967, CFRA-AM has the largest weekly listening audience of all radio stations located in its market. The station broadcasts music of wide appeal and extensive news reports and news features. A news staff of ten reporters and broadcasters is located in the station's head office.

The station has emphasized coverage of many sports events which have included the 1960 Winter Olympic Games in Squaw Valley and the 1967 World's Hockey Championships in Vienna. In addition, CFRA-AM has also specialized in complete coverage of news events of particular interest to residents of eastern Ontario and western Quebec, such as two recent three-hour-long broadcasts from EXPO 67 at Montreal, Quebec. This special programming supplements normal news reports.

CFRA-AM broadcasts with a power of 50,000 watts daytime and 10,000 watts nighttime from its transmitter located at Manotick, Ontario. The station's studios are located at 150 Isabella Street, Ottawa.

CFMO-FM Ottawa

CFMO-FM's policy is to broadcast light concert and popular music. CFMO broadcasts 24 hours a day in FM multiplex stereo with a power of 146,000 watts. News and public service are an integral part of its programming but music represents the majority of program content. Only commercial advertising consistent with the station's policies and public image is broadcast.

CKPT-AM Peterborough

CKPT-AM is owned equally by Barrie Broadcasting Limited and the Company in partnership. The station's programming consists of popular music, news, discussion and public affair programmes broadcast to the population of Peterborough and the Kawartha Lakes Resort Area.

CKPT-AM received permission from the Department of Transport on August 15, 1966, to increase its transmitting power from 1000 watts daytime and 500 watts nighttime to 5000 watts day and night. The station broadcasts 24 hours a day.

CJCH-AM Halifax

CJCH-AM broadcasts 24 hours a day with a power of 10,000 watts daytime and 5,000 watts nighttime. The station's programming is general in nature consisting of popular music, news and discussion programs and public service.

Regulations

Broadcasting licences are issued by the Federal Minister of Transport on the recommendation of the Board of Broadcast Governors, a body created by the Broadcasting Act of Canada and operating under the jurisdiction of the Secretary of State. Such licences govern the maximum broadcast power permissible for each station as well as the location of the station's transmission facilities. Licences are valid for periods ranging from one year to five years. All of the Company's radio stations hold licences in good standing from the Minister of Transport. The licences of the radio stations operated by the Company expire at various times throughout the ensuing years. The Company intends to apply for renewal of its licences as required.

Shareholders and Directors

Name and Address of Holder	Designation of Shares	Type of Ownership	No. of Shares Owned at June 12, 1967	Percentage of Outstanding Shares at June 12, 1967	No. of Shares to be Offered by Selling Shareholder	No. of Shares Owned after Public Offering	Percentage of Outstanding Shares after Public Offering
ALLAN FREDERICK WATERS 21 Moorehill Drive, Toronto, Ontario	Common	Of record and beneficially	412,057	100%	Nil	412,057	100%
	Class A	Of record and beneficially	30,000	43%	28,572	1,428	3%
		Beneficially	5,562		Nil	5,562	
RALPH TRAPNELL SNELGROVE 23 Theresa Street, Barrie, Ontario	Class A	Of record and beneficially	28,571	34%	Nil	28,571	11%
RALPH SNELGROVE ENTERPRISES LIMITED	Class A	Of record and beneficially	19,048	23%	Nil	19,048	8%

Following completion of the public offering contemplated herein, Waters will own 62% of the outstanding voting shares of the Company and, therefore, can cause to be elected a majority of the Board of Directors of the Company.

Directors and Officers

The names and home addresses in full of the directors and officers of the Company and the positions and offices held by each and their principal occupation within the five years preceding is as follows:

Name and Address	Office	Principal Occupation for the last five years
ALLAN FREDERICK WATERS..... 21 Moorehill Drive, Toronto, Ontario.	President and Director.....	Broadcasting Executive with the Company
RALPH TRAPNELL SNELGROVE..... 23 Theresa Street, Barrie, Ontario.	Vice-President..... and Director	Broadcasting Executive with Ralph Snelgrove Television Limited.
JOHN WESLEY ARMSTRONG..... 4 Canfield Place, Don Mills, Ontario.	Vice-President—Sales..... and Director	Broadcasting Executive with the Company
ALEXANDER ASHLEY FORBES, C.A. 42 Haslemere Road, Toronto, Ontario.	Vice-President—Finance and Secretary-Treasurer and Director	Broadcasting Executive with the Company
LAWRENCE SIEGFRIED SOLWAY..... 46 Whitmore Avenue, Toronto, Ontario.	Director.....	Broadcasting Executive with the Company.
ARTHUR DEANE NESBITT..... 3269 Cedar Avenue, Westmount, Quebec.	Director.....	President, Nesbitt, Thomson and Company, Limited

Remuneration

During the latest fiscal year ended September 30, 1966, aggregate remuneration paid or payable by the Company and subsidiaries to directors, as such, was nil and to senior officers of the Company was \$183,301. The aggregate remuneration paid or payable by the Company and subsidiaries from October 1, 1966, to April 30, 1967, to directors, as such, was nil and to senior officers of the Company was \$107,539. The aggregate remuneration paid or payable to and estimated to be payable by the Company and subsidiaries from May 1, 1967, to September 30, 1967, to directors, as such, is nil and to senior officers of the Company is \$84,100.

Pensions

The estimated cost to the Company and its subsidiaries during the last fiscal year of all pension benefits proposed to be paid under any normal pension plan in the event of retirement at normal age, directly or indirectly, by the Company or any of its subsidiaries to the persons referred to under the paragraph entitled Remuneration is \$3,941.

Description of Class A Shares

A description in summary form of the preferences, priorities, rights, powers, privileges, limitations, conditions and provisions attaching to the Class A Shares offered by this prospectus is as follows:

Dividends:

The holders of the Class A Shares ("the holders") are entitled to receive when and if declared by the Board of Directors non-cumulative preferential dividends at the rate of 45¢ per share. When in any year prior to July 1, 1969, dividends aggregating 45¢ per share shall have been paid, the holders of the Common Shares are entitled to receive when and if declared by the Board of Directors dividends at the rate of 10¢ per share. Thereafter any further dividends declared shall be paid in equal amounts per share on all the Class A Shares and on all the Common Shares. In any year after July 1, 1969, the holders of the Common Shares shall be entitled to receive dividends at the rate of 45¢ per share when and if declared by the Board of Directors, after payment of the non-cumulative preferential dividend of 45¢ per share on all the Class A Shares, and any further dividends declared shall be paid in equal amounts per share on all the Class A Shares and on all the Common Shares.

Conversion Rights:

Each Class A Share is convertible at any time at the option of the holder into one (1) fully-paid and non-assessable Common Share. There are provisions attaching to the Class A Shares providing for the adjustment of such conversion rights in the event of an increase, decrease, or other modification in the number of Common Shares outstanding pursuant to a subdivision or other reclassification of Common Shares, including payment of stock dividends on Common Shares, and in the event of the issue of Common Shares for a consideration less than \$10.50 per Common Share.

Purchase and Redemption:

The Company may call at any time all but not part of the Class A Shares outstanding for redemption at their par value plus an amount equal to unpaid declared dividends plus a premium of 5% of the par value.

The Company may purchase the whole or any part of the Class A Shares outstanding either in the open market or by invitation for tenders at the lowest price at which, in the opinion of the Board of Directors such shares are obtainable.

Liquidation and Distribution:

In the event of liquidation, dissolution or any distribution of capital, the holders of the Class A Shares and the holders of the Common Shares are entitled to share equally in all distributions of the assets of the Company.

Voting Rights:

The holders shall be entitled to one (1) vote per Class A Share at all meetings of shareholders of the Company.

Approval:

The foregoing provisions may not be repealed, reduced, limited or varied nor may Preference Shares ranking in priority or *pari passu* with the Class A Shares be created without the sanction of the holders evidenced by resolution carried by not less than two-thirds ($\frac{2}{3}$) of the votes cast at a special general meeting duly called for such purpose.

Legal Opinions

Legal matters in connection with the issuance of the Class A Shares will be passed upon on behalf of the Company by Rohmer, Cory & Haley, Toronto, Ontario, and on behalf of the Underwriters by Fasken, Calvin, MacKenzie, Williston & Swackhamer, Toronto, Ontario.

Material Transactions

The following material transactions have taken place within the past three years in which the following shareholders are interested:

- (1) On June 12, 1967, the Company issued and allotted to Ralph Snelgrove, ("Snelgrove"), 23 Theresa Street, Barrie, Ontario, 28,571 Class A Shares at \$10.50 per share in consideration of the retirement of a non-interest bearing demand promissory note in the principal amount of \$300,000 representing past advances by Snelgrove to the Company of an equal amount.
- (2) On June 12, 1967, the Company issued and allotted to Ralph Snelgrove Enterprises Limited ("Snelgrove Enterprises"), a private Ontario corporation with its head office in Barrie, Ontario, 19,048 Class A Shares at \$10.50 per share in consideration of the retirement of a $7\frac{1}{2}\%$ term promissory note in the amount of \$200,000 representing past advances by Snelgrove Enterprises to the Company of an equal amount. Snelgrove has voting control of Snelgrove Enterprises.
- (3) On June 12, 1967, the Company issued and allotted to Waters, 21 Moorehill Drive, Toronto, Ontario, 30,000 Class A Shares at \$10.50 per share in consideration of the retirement of non-interest bearing demand promissory notes in an aggregate principal amount of \$315,000 representing past advances by Waters to the Company of an equal aggregate amount.
- (4) On June 12, 1967, the Company issued and allotted to Amplus Limited, a private Ontario corporation with its head office at 1331 Yonge Street, Toronto, Ontario, 5,562 Class A shares at \$10.50 per share in consideration of the satisfaction of an account payable from the Company to Amplus Limited which at the date of said issue of Class A shares was in the amount of \$58,408. All of the shares of Amplus Limited are beneficially owned by Waters.

Material Contracts

In addition to contracts entered into in the ordinary course of business, the Company has entered into the following contracts within two years prior to the date hereof:

- (1) The agreements dated July 14, 1967, between the Company, Waters and the Underwriters, as set forth on page 3 of this prospectus under the heading "Plan of Distribution".
- (2) An agreement dated July 14, 1967, between the Company, Nesbitt, Thomson and Company, Limited, Waters, Richard H. Rohmer and Murray E. Hardisty (jointly as the "Escrow Agents") whereby Waters has agreed to lodge in escrow with the Escrow Agents 412,057 Common Shares of the Company for the period of two years from the date of this prospectus, subject to prior release upon the consent of the Company, Nesbitt, Thomson and Company, Limited and the Escrow Agents.
- (3) Contracts relating to Radio CJCH 920 Limited:
 - (a) An Agreement dated July 1, 1965, between CJCH Limited and Waters on behalf of the Company relating to the holdings by the parties of demand promissory notes and all of the issued and outstanding common shares in the capital of Radio CJCH 920 Limited owned equally by CJCH Limited and Waters.

- (b) An agreement dated February 28, 1967, between CJCH Limited and the Company approving transfer of the aforesaid shares of Radio CJCH 920 Limited held by Waters from Waters to the Company and the assignment to the Company of the demand promissory note held by Waters and whereby the Company agreed to be bound by the provisions of the prior agreement of July 1, 1965.

(4) Contracts relating to Ralph Snelgrove Television Limited:

An agreement dated November 1, 1965, between Snelgrove, Geoffrey W. Stirling ("Stirling") and Waters on behalf of the Company, as amended by an agreement dated February 28, 1967, including the Company as a party, and as further amended by an agreement dated June 7, 1967, also including the Company as a party, providing for the purchase on behalf of the Company by Waters and the subsequent transfer from Waters to the Company of 3,785 shares representing 33 $\frac{1}{3}$ % of the issued and outstanding common shares of Ralph Snelgrove Television Limited. The agreement, as amended, also relates to the various shareholdings of the Company, Snelgrove and Stirling. In particular, the said agreement, as amended, provides for the sale by the Company of all of its shares of Ralph Snelgrove Television Limited to the remaining shareholders upon the death of Waters at a price to be determined according to a formula set out therein.

(5) Contracts relating to Radio Station CFRA Limited:

- (a) An agreement dated February 1, 1966, between K. Ryan (the "Vendor") and Waters, as amended by an agreement dated October 17, 1966.
- (b) An agreement dated January 27, 1967, between the Vendor, Waters and Deans Berry ("Berry").
- (c) An agreement dated January 27, 1967, between the Vendor, Snelgrove and Berry.
- (d) An agreement dated February 28, 1967, between Snelgrove and the Company.
- (e) An agreement dated February 28, 1967, between the Vendor, Waters, the Company and Berry.
- (f) An agreement dated February 28, 1967, between the Vendor, Waters, Snelgrove, the Company and Berry.

all of which agreements provide for the following: the purchase on behalf of the Company by Waters and Snelgrove of all of the issued and outstanding shares of Radio Station CFRA Limited, and the securing of the balance of the purchase price thereof by the issuance of promissory notes and the pledge of certain shares of Radio Station CFRA Limited, and the subsequent transfer of all of the said shares from Waters and Snelgrove to the Company and the assumption by the Company of such obligations.

(6) Contracts with a Canadian Chartered Bank:

- (a) An agreement dated November 17, 1965, between the Company and a Canadian Chartered Bank ("the Bank") creating a first floating charge to and in favour of the Bank.
- (b) An agreement dated January 27, 1967, between Waters, the Company and the Bank pledging to the Bank certain shares in the capital of Radio Station CFRA Limited.

(7) Contracts relating to Roynat Ltd.:

- (a) A Deed of Trust and Mortgage between the Company and The Canada Trust Company dated January 27, 1967, securing \$600,000 principal amount of 7% First Income Mortgage Bonds (the "Bonds") of the Company.
- (b) An agreement dated January 27, 1967, between Waters, The Canada Trust Company, Roynat Ltd., Radio Station CFRA Limited and the Company pledging certain shares in the capital stock of Radio Station CFRA Limited to Roynat Ltd. and providing for the guarantee by Waters of the repayment of the said \$600,000 principal amount of Bonds of the Company.

- (c) An agreement dated January 27, 1967, between K. Ryan (the "Vendor"), the Bank, The Canada Trust Company, Roynat Ltd., Waters and the Company setting out and establishing conditions precedent, in favour of subsequent pledgees, to the Vendor acting upon the security constituted by those shares in the capital of Radio Station CFRA Limited pledged under the agreements set out under numbers 5 and 7 (b) above.
- (d) An agreement dated January 27, 1967, between the Bank, The Canada Trust Company, Waters and the Company limiting the incurring of future indebtedness of the Company to the Bank pending repayment of the \$600,000 principal amount of Bonds of the Company.

Copies of the foregoing agreements may be inspected at the head office of the Company, 1331 Yonge Street, Toronto, Ontario while the Class A Shares offered hereby are in the course of primary distribution and for thirty days thereafter.

Common Shares Held in Escrow

As at July 14, 1967, 412,057 Common Shares in the capital of the Company, being all of the issued and outstanding Common Shares of the Company, all of which are owned by Waters, are held in escrow by Richard H. Rohmer and Murray E. Hardisty, jointly as Escrow Agents, pursuant to the agreement between the Company, Nesbitt, Thomson and Company, Limited, Waters and the said Escrow Agents referred to under the heading "Material Contracts" on page 10 of this prospectus. The said 412,057 Common Shares of the Company are to be released from escrow two years from the date of this prospectus, or at an earlier date upon the consent of the Company, Nesbitt, Thomson and Company, Limited and the Escrow Agents, pursuant to the said agreement.

Purchasers' Statutory Rights of Withdrawal and Rescission

The attention of purchasers in the Province of Ontario of any of the securities covered by this prospectus which are offered in the Province of Ontario is drawn to certain provisions of The Securities Act, 1966 (Ontario) which provides for such purchasers

- (a) the right to withdraw from any agreement of purchase if written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received by the purchaser or his agent; and
- (b) the right to rescind the agreement of purchase by institution of legal proceedings within ninety days from the later of the date of receipt of the prospectus or amended prospectus by the purchaser or his agent or the date of the agreement of purchase, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained therein not misleading in the light of the circumstances in which it was made.

The full text of the foregoing provisions is contained in Sections 63 and 64 of The Securities Act, 1966 (Ontario).

Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares and Class A Shares in the capital of the Company is Montreal Trust Company, 15 King Street West, Toronto, Ontario; 96 Sparks Street, Ottawa, Ontario; 777 Dorchester Boulevard West, Montreal, Quebec; 1695 Hollis Street, Halifax, Nova Scotia and 466 Howe Street, Vancouver, British Columbia.

Auditors

Ewen and Ewen, Chartered Accountants, 57 Bloor Street West, Toronto, Ontario, are the auditors of the Company. Price Waterhouse & Co., Chartered Accountants, 55 Yonge Street, Toronto, Ontario, have been appointed to report, along with the Company's auditors, on the financial information set out in this prospectus and for the purposes of this offering.

CHUM Limited
and Subsidiary Company

Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet — March 31, 1967

The pro forma consolidated balance sheet gives effect to:

- (1) The changes in the Company's name and share capital as set out in Notes 5 and 6 to the consolidated balance sheet.
- (2) The issue and sale of 180,952 Class A Shares with a par value of \$10 each for a cash consideration of \$1,899,996, of which \$90,476 was credited to premium on shares issued.

Assets					
				<u>Consolidated Balance Sheet</u>	<u>Pro Forma Consolidated Balance Sheet</u>
CURRENT ASSETS:					
Cash.....				\$ 155,069	\$ 155,069
Accounts receivable.....				679,442	679,442
Prepaid expenses.....				10,640	10,640
				<u>845,151</u>	<u>845,151</u>
INVESTMENTS (Note 2):					
Ralph Snelgrove Television Limited.....				802,521	802,521
Radio CJCH 920 Limited.....				350,000	350,000
Peterborough Broadcasting Co.....				96,184	96,184
				<u>1,248,705</u>	<u>1,248,705</u>
FIXED ASSETS:					
	<u>Cost</u>	<u>Accumulated depreciation (Note 3)</u>	<u>Net book value</u>		
Land.....	\$ 521,033	—	521,033		
Buildings.....	714,026	160,520	553,506		
Equipment.....	1,245,911	907,457	<u>338,454</u>		
				1,412,993	1,412,993
EXCESS OF COST OF SHARES OF SUBSIDIARY COMPANY OVER BOOK VALUE OF UNDERLYING ASSETS.....				1,480,263	1,480,263
Approved on behalf of the Board:					
(Signed) ALLAN WATERS					
Director					
(Signed) A. A. FORBES					
Director				<u>\$4,987,112</u>	<u>\$4,987,112</u>

CHUM Limited
and Subsidiary Company

Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet — March 31, 1967

- (3) The repayment of —
 (a) the 7% promissory notes of \$1,000,000,
 (b) the 7% first mortgage income bond of \$600,000,
 (c) the 7% note of \$11,000.
- (4) The charge to premium on shares issued of \$114,000 Underwriters' commission and \$18,074 out of a total of \$34,996 estimated expenses relating to the sale of the Class A Shares under (2) above.

The \$16,922 balance of estimated expenses and the payment of \$140,000 referred to in Note 7 to the consolidated balance sheet have been charged to retained earnings.

Liabilities and Shareholders' Equity

	Consolidated Balance Sheet	Pro Forma Consolidated Balance Sheet
CURRENT LIABILITIES:		
Accounts payable and accrued	\$ 171,511	\$ 171,511
Income taxes payable	248,515	248,515
Instalments on long-term debt due within one year	296,021	180,416
Loans — non-interest bearing (Note 6)	615,000	—
Owing to an associated company (Note 6)	58,408	—
	<hr/> 1,389,455	<hr/> 600,442
LONG-TERM DEBT (Note 4)	2,271,930	576,535
SHAREHOLDERS' EQUITY:		
Capital stock (Note 5) —		
Before Supplementary Letters Patent —		
5% non-cumulative, redeemable preference shares of the par value of \$10 each —		
Authorized — 28,765 shares		
Shares of no par value —		
Authorized and issued — 100,000 shares	100,000	
After Supplementary Letters Patent —		
Class A Shares with a par value of \$10 each —		
Authorized and issued — 264,133 shares		2,641,330
Common Shares without par value —		
Authorized — 1,500,000 shares		
Issued — 412,057 shares		100,000
Retained earnings	1,225,727	1,068,805
Total shareholders' equity	<hr/> 1,325,727	<hr/> 3,810,135
	<hr/> \$4,987,112	<hr/> \$4,987,112

**CHUM Limited
and Subsidiary Company**

**Consolidated Statement of Earnings
for the Five Years and Six Months ended March 31, 1967**

	Year ended September 30					Six months ended March 31	
	1962	1963	1964	1965	1966	1967	1966 (unaudited)
INCOME:							
Broadcasting revenue, less agency commissions.....	\$1,994,983	\$2,316,089	\$2,494,029	\$2,619,660	\$2,947,773	\$1,817,105	\$1,411,120
Profit (loss) of Peterborough Broadcasting Co. (Note 2)....	(14,456)	(8,775)	(125)	5,865	10,204	5,000	5,000
Dividend.....	—	—	—	—	22,710	—	—
	<u>1,980,527</u>	<u>2,307,314</u>	<u>2,493,904</u>	<u>2,625,525</u>	<u>2,980,687</u>	<u>1,822,105</u>	<u>1,416,120</u>
Operating expenses, excluding depreciation and interest on long-term debt.....	1,533,248	1,780,223	1,913,488	1,990,173	2,199,616	1,256,685	1,093,826
Earnings before the undernoted items	<u>447,279</u>	<u>527,091</u>	<u>580,416</u>	<u>635,352</u>	<u>781,071</u>	<u>565,420</u>	<u>322,294</u>
DEDUCT:							
Interest on long-term debt.....	2,002	2,136	5,665	24,733	43,365	43,714	21,509
Depreciation.....	24,508	139,387	118,129	108,540	89,966	47,643	48,000
	<u>26,510</u>	<u>141,523</u>	<u>123,794</u>	<u>133,273</u>	<u>133,331</u>	<u>91,357</u>	<u>69,509</u>
Earnings before income taxes.....	<u>420,769</u>	<u>385,568</u>	<u>456,622</u>	<u>502,079</u>	<u>647,740</u>	<u>474,063</u>	<u>252,785</u>
Provision for income taxes.....	218,000	200,000	238,000	263,000	330,000	267,179	121,200
Net earnings for the period.....	<u>\$ 202,769</u>	<u>\$ 185,568</u>	<u>\$ 218,622</u>	<u>\$ 239,079</u>	<u>\$ 317,740</u>	<u>\$ 206,884</u>	<u>\$ 131,585</u>

**CHUM Limited
and Subsidiary Company**

**Consolidated Statement of Retained Earnings
for the Five Years and Six Months ended March 31, 1967**

	Year ended September 30					Six months ended March 31	
	1962	1963	1964	1965	1966	1967	1966 (unaudited)
Balance at beginning of period.....	\$335,065	\$417,834	\$534,402	\$633,024	\$ 731,103	\$1,018,843	\$731,103
Net earnings for the period.....	202,769	185,568	218,622	239,079	317,740	206,884	131,585
	<u>537,834</u>	<u>603,402</u>	<u>753,024</u>	<u>872,103</u>	<u>1,048,843</u>	<u>1,225,727</u>	<u>862,688</u>
DEDUCT:							
Cash dividends.....	60,000	60,000	60,000	30,000	—	—	—
Stock dividends.....	51,000	—	51,000	102,000	25,500	—	—
15% tax.....	9,000	9,000	9,000	9,000	4,500	—	—
	<u>120,000</u>	<u>69,000</u>	<u>120,000</u>	<u>141,000</u>	<u>30,000</u>	<u>—</u>	<u>—</u>
Balance at end of period.....	<u>\$417,834</u>	<u>\$534,402</u>	<u>\$633,024</u>	<u>\$731,103</u>	<u>\$1,018,843</u>	<u>\$1,225,727</u>	<u>\$862,688</u>

**CHUM Limited
and Subsidiary Company**

**Combined Summary of Earnings
for the Five Years and Six Months ended March 31, 1967**

This combined summary of earnings includes:

- (a) the earnings in the consolidated statement of earnings of CHUM Limited and subsidiary company for the five years and six months ended March 31, 1967;
- (b) the operations of Radio Station CFRA Limited and CFRA Broadcasting Limited, a predecessor company, which were acquired by CHUM Limited on January 1, 1967, for the period of five years and three months ended December 31, 1966;
- (c) the operations of two small associated companies, whose sales representation operations have been carried on by CHUM Limited since October 1, 1966, for the period of five years ended September 30, 1966.

	Year ended September 30					Six months ended March 31	
	1962	1963	1964	1965	1966	1967	1966
							(unaudited)
INCOME:							
Broadcasting revenue, less agency commissions.....	\$2,957,131	\$3,308,671	\$3,558,140	\$3,735,241	\$4,094,681	\$2,111,623	\$1,953,641
Profit (loss) of Peterborough Broadcasting Co. (Note 2)....	(14,456)	(8,775)	(125)	5,865	10,204	5,000	5,000
Dividend.....	—	—	—	—	22,710	—	—
	<u>2,942,675</u>	<u>3,299,896</u>	<u>3,558,015</u>	<u>3,741,106</u>	<u>4,127,595</u>	<u>2,116,623</u>	<u>1,958,641</u>
Operating expenses, excluding depreciation and interest on long-term debt.....	2,181,972	2,463,451	2,647,631	2,734,615	3,005,216	1,457,567	1,513,625
Earnings before the undernoted items	<u>760,703</u>	<u>836,445</u>	<u>910,384</u>	<u>1,006,491</u>	<u>1,122,379</u>	<u>659,056</u>	<u>445,016</u>
DEDUCT:							
Interest on long-term debt.....	2,002	2,136	5,665	24,733	43,365	43,714	21,509
Depreciation.....	117,425	212,528	192,085	172,231	140,811	59,460	76,634
	<u>119,427</u>	<u>214,664</u>	<u>197,750</u>	<u>196,964</u>	<u>184,176</u>	<u>103,174</u>	<u>98,143</u>
Earnings before income taxes.....	<u>641,276</u>	<u>621,781</u>	<u>712,634</u>	<u>809,527</u>	<u>938,203</u>	<u>555,882</u>	<u>346,873</u>
Provision for income taxes.....	332,962	322,888	371,270	422,530	480,974	309,847	170,146
Net earnings for the period.....	<u>\$ 308,314</u>	<u>\$ 298,893</u>	<u>\$ 341,364</u>	<u>\$ 386,997</u>	<u>\$ 457,229</u>	<u>\$ 246,035</u>	<u>\$ 176,727</u>
Earnings per share (see (iv) below)..<	<u>46¢</u>	<u>44¢</u>	<u>50¢</u>	<u>57¢</u>	<u>68¢</u>	<u>36¢</u>	<u>26¢</u>

- (i) Radio Station CFRA Limited purchased certain of the assets and operations of CFRA Broadcasting Limited as of July 1, 1966.
- (ii) Income and expenses of operations not carried on by Radio Station CFRA Limited after January 1, 1967 have been eliminated from the above summary of earnings. The fiscal year of these companies ends on December 31, and the results for the fiscal years then ended have been combined with the results of CHUM Limited for its fiscal years ended September 30.
- (iii) Income taxes on profits of CFRA Broadcasting Limited and Radio Station CFRA Limited included in the above summary of earnings have been provided at the rate of 52% per annum.
- (iv) Earnings per share have been calculated on the basis of the combined Class A and Common Shares, aggregating 676,190 shares, as set out in the pro forma balance sheet as at March 31, 1967.

CHUM Limited and Subsidiary Company

Notes to the Consolidated and Pro Forma Consolidated Balance Sheets as at March 31, 1967 and to the Consolidated Statements of Retained Earnings and Earnings and the Combined Summary of Earnings for the Five Years and Six Months ended March 31, 1967

1. PRINCIPLES OF CONSOLIDATION:

The accounts of Radio Station CFRA Limited, a wholly-owned subsidiary, have been consolidated with those of the parent company and its earnings included in the consolidated statement of earnings from January 1, 1967, the date of acquisition.

2. INVESTMENTS:

Ralph Snelgrove Television Limited —

The investment in this Company constitutes the cost of 33⅓% of the outstanding shares purchased in 1965. This company operates television station CKVR-TV in Barrie, Ontario.

Radio CJCH 920 Limited —

This investment represents the cost of 50% of the outstanding shares purchased in 1965 for \$100 and a non-interest bearing demand note receivable also acquired in 1965 for \$349,900. It is not anticipated that payments will be received on this note for several years. The company operates radio station CJCH-AM in Halifax.

Peterborough Broadcasting Co. —

A joint venture of which \$65,471 represents the cost of a 50% interest in radio station CKPT-AM in Peterborough, \$33,000 represents advances and \$2,287 represents the accumulated losses less profits since acquisition.

The Company's share of the aggregate earnings for the year ended December 31, 1966 of Ralph Snelgrove Television Limited and for the year ended June 30, 1966 of Radio Station CJCH 920 Limited, as reported upon by those companies' auditors, amounted to \$51,292. The annual earnings or losses of Peterborough Broadcasting Co. are reflected in the consolidated statement of earnings.

The Company's equity in the aggregate net book value of tangible assets excluding broadcasting licences, of these companies at the above dates, together with that of Peterborough Broadcasting Co. as at August 31, 1966, as reported upon by the respective companies' auditors, amounted to \$281,933. The excess of the cost of the investments of CHUM Limited in these companies over its equity in the net book value of their tangible assets, excluding broadcasting licences, amounted to \$944,272 at the above dates.

3. DEPRECIATION:

Depreciation has been provided in the accounts of both companies at the maximum amounts allowed for income tax purposes.

4. LONG-TERM DEBT:

6% Bank loans (see below)	\$ 450,000
7% Promissory notes, payable in various annual instalments on January 1, 1968 to 1974 (see below) . . .	1,000,000
7% First mortgage income bond payable \$5,000 quarterly December 15, 1967 to 1968, \$17,970 quarterly March 15, 1969 to September 15, 1976 and \$17,930 on December 15, 1976.....	600,000
7½% Promissory note, payable \$50,000 annually on November 1, 1967 to 1970 (Note 6).....	200,000
7% Mortgage, payable in monthly instalments April 1, 1967 to March 1, 1985.....	143,772
6½% Equipment purchase contract, payable \$5,000 monthly April 28, 1967 to July 28, 1969.....	140,000
7% Equipment purchase contract, payable \$1,363.50 monthly April 15, 1967 to August 28, 1968.....	23,179
7% Note, payable in variable annual instalments on January 1, 1968 to 1974.....	11,000
	2,567,951
Less — Instalments due within one year.....	296,021
	<u>\$2,271,930</u>

The bank holds as security for its loans a general assignment of debts owing to the Company, all of the Company's shares of Ralph Snelgrove Television Limited and Radio CJCH 920 Limited and 6% demand debentures of the Company in the amount of \$700,000. The debentures are secured by a floating charge on all the assets of the Company. While all of the bank loans are on a demand basis, the Company has an understanding with the bank that the loan will be reduced at the rate of \$25,000 quarterly, the next payment being due June 30, 1967. Approximately 86% of the shares of Radio Station CFRA Limited are pledged as security either for the bank loans or for the \$1,000,000 7% promissory notes.

5. Supplementary Letters Patent have been issued under The Corporations Act (Ontario) dated May 12, 1967 changing the name of the Company to CHUM Limited and dated June 10, 1967 cancelling the 28,765 unissued preference shares of the par value of \$10 each, subdividing and converting the 100,000 authorized and issued common shares without par value into 412,057 Common Shares without par value and increasing the authorized capital by creating an additional 1,087,943 Common Shares without par value and by creating 264,133 Class A shares with a par value of \$10 each. The rights of the Class A Shares are set out on page 9 of this prospectus.

6. Subsequent to March 31, 1967, 83,181 Class A Shares have been issued at \$10.50 per share, of which an aggregate of \$41,598 has been credited to premium on shares issued, as consideration for—
 - (a) the settlement of \$58,408 indebtedness to an associated company
 - (b) the cancellation of \$615,000 non-interest bearing and \$200,000 interest bearing debt.
7. As part of the consideration for the issuance of the 7% first mortgage income bond in connection with the acquisition of Radio Station CFRA Limited, the Company agreed to transfer certain common shares of Radio Station CFRA Limited to the bond holder and granted an option to the bond holder to purchase certain additional common shares of Radio Station CFRA Limited for a consideration of \$140,000. However, the bond holder has agreed to release the Company from the foregoing obligations and to accept repayment in advance of the principal amount of the bond for an aggregate consideration of \$740,000.
8. Income tax returns of CHUM Limited have been confirmed or reassessed by the taxing authorities up to and including the fiscal year ended September 30, 1963; for subsequent years, the provisions for income taxes are considered adequate. The initial fiscal period of Radio Station CFRA Limited ended on December 31, 1966 and no income tax assessments have yet been received but it is considered that the provision for income taxes is adequate.

Report of Chartered Accountants

To CHUM LIMITED:

We have examined the consolidated balance sheet and pro forma consolidated balance sheet of CHUM Limited and subsidiary company as at March 31, 1967 and the consolidated statements for the five years and six months then ended of earnings, retained earnings, and the combined summary of earnings. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

- (a) The consolidated balance sheet at March 31, 1967 and the consolidated statements of earnings and retained earnings with the notes thereto fairly present the financial position of the companies as of March 31, 1967, and the results of their operations for the five years and six months then ended, and
 - (b) The pro forma consolidated balance sheet fairly presents the financial position of the companies as of March 31, 1967, after giving effect as of that date to the transactions described in the head notes thereto, and
 - (c) The combined summary of earnings fairly presents the combined results of the operations as described in the head notes thereto, for the period of five years and six months ended March 31, 1967,
- all in conformity with generally accepted accounting principles consistently applied.

(Signed) EWEN & EWEN
Chartered Accountants.

(Signed) PRICE WATERHOUSE & Co.
Chartered Accountants.

TORONTO, July 14, 1967.

Other Material Facts

There are no other material facts relating to the Company or its subsidiary not disclosed in this prospectus.

Dated July 14, 1967

Certificate of the Company

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1962 (British Columbia), Part IX of The Securities Act, 1955 (Alberta), Section 43 of The Securities Act (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, Section 13 of The Securities Act (New Brunswick) and under the Securities Act, (Quebec) and there is no further material information applicable other than financial statements or reports where required or exigible.

(Signed) ALLAN WATERS

President

(Signed) A. A. FORBES

Vice-President-Finance
and Secretary-Treasurer

c/s

On behalf of the Board of Directors:

(Signed) ALLAN WATERS

(Signed) A. A. FORBES

Directors

(Signed) ALLAN WATERS

(Signed) J. W. ARMSTRONG

(Signed) A. D. NESBITT
by his attorney
ALLAN WATERS

(Signed) R. SNELGROVE

(Signed) L. SOLWAY

(Signed) A. A. FORBES

Certificate of the Underwriters

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1962 (British Columbia), Part IX of the Securities Act, 1955 (Alberta) Section 43 of The Securities Act (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, Section 13 of the Securities Act (New Brunswick), and under the Securities Act, (Quebec) and there is no further material information applicable other than the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

NESBITT, THOMSON AND COMPANY, LIMITED

JOHN GRAHAM & COMPANY LIMITED

Per: (Signed) J. D. McELHINNEY

Per: (Signed) JOHN GRAHAM JR.

The following includes the names of all persons having an interest directly or indirectly to the extent of not less than 5% in the capital of Nesbitt, Thomson and Company, Limited: A. D. Nesbitt, J. I. Crookston, J. R. Osborne, H.E. Murray, N. R. Calder and D. B. Gill; and in the capital of John Graham & Company Limited: John Graham and John Graham Jr.

<u>Date of Issue</u>	<u>No. of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
June 12, 1967	5,562	\$10.50	\$58,408.	Consideration for the satisfaction of an account payable from the Company to Amplus Limited of \$58,408.00.
July 13, 1967	180,952	\$10.50	\$1,899,996.	Purchase by Underwriters, Nesbitt, Thomson and Company, Limited and John Graham & Company Limited.

4. LISTING ON OTHER STOCK EXCHANGES

The Class A shares of the Company are also being listed on the Montreal Stock Exchange. None of the other securities of the Company or of any of its subsidiaries or control companies are listed on any stock exchange.

5. STATUS UNDER SECURITIES ACTS

The said 209,524 Class A shares with a par value of \$10.00 each offered for sale by the above mentioned prospectus were qualified for sale to the public through registered brokers in each of the Provinces of Canada except Newfoundland.

6. FISCAL YEAR

The fiscal year of the Company ends on September 30th in each year.

7. ANNUAL MEETING

The by-laws of the Company provide that the annual meeting of the Company shall be held at the head office of the Company or at such other place in Ontario on such date in each year as the Board of Directors may determine from time to time.

8. HEAD AND OTHER OFFICES

The head office is located at 1331 Yonge Street, Toronto, Ontario, Canada. The Company has no other offices.

9. TRANSFER AGENT

Montreal Trust Company at its principal transfer offices in Toronto, Ottawa, Montreal, Halifax and Vancouver is the transfer agent and registrar for the Class A shares of the Company.

10. TRANSFER FEE

No fee is charged on the transfer of the Class A shares other than the customary Government stock transfer taxes.

11. AUDITORS

The auditors of the Company are Ewen & Ewen, Chartered Accountants, 57 Bloor Street West, Toronto, Ontario.

12. DIRECTORS

The directors of the Company are:

NAME	ADDRESS
Allan Frederick Waters	21 Moorehill Drive, Toronto, Ontario.
Ralph Trapnell Snelgrove	23 Theresa Street, Barrie, Ontario.
John Wesley Armstrong	4 Canfield Place, Don Mills, Ontario.
Alexander Ashley Forbes, C.A.	42 Haslemere Road, Toronto, Ontario.
Lawrence Siegfried Solway	46 Whitmore Avenue, Toronto, Ontario.
Arthur Deane Nesbitt	3269 Cedar Avenue, Westmount, Quebec.

13. OFFICERS

The officers of the Company are:

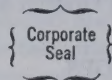
NAME	OFFICE	ADDRESS
Allan Frederick Waters	President	21 Moorehill Drive, Toronto, Ontario.
Ralph Trapnell Snelgrove	Vice-President	23 Theresa Street, Barrie, Ontario.
John Wesley Armstrong	Vice-President — Sales	4 Canfield Place, Don Mills, Ontario.
Alexander Ashley Forbes, C.A.	Vice-President — Finance and Secretary-Treasurer	42 Haslemere Road, Toronto, Ontario.

14.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors CHUM Limited hereby applies for listing of the above mentioned securities on the Toronto Stock Exchange and the undersigned thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

CHUM LIMITED



per:

"ALLAN WATERS",
President

"A. A. FORBES",
Vice-President — Finance
and Secretary-Treasurer

15.

CERTIFICATE OF UNDERWRITERS

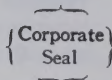
To the best of our knowledge information and belief all the statements and representation made in this application in the documents submitted in support thereof are true and correct.



NESBITT, THOMSON AND COMPANY, LIMITED

per:

"A D. NESBITT"



JOHN GRAHAM & COMPANY LIMITED

per:

"JOHN GRAHAM JR."

DISTRIBUTION OF CLASS "A" STOCK AS OF SEPTEMBER 5, 1967

Number					Shares
192	Holders of	1	—	24 share lots	2,201
507	" "	25	—	99 " "	20,584
211	" "	100	—	199 " "	22,707
74	" "	200	—	299 " "	15,180
18	" "	300	—	399 " "	5,615
12	" "	400	—	499 " "	5,425
36	" "	500	—	999 " "	19,875
42	" "	1000	—	up " "	172,546
1,092	Shareholders			Total shares	264,133